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PANEL CLEARS C.I.A. OF A DIRECT ROLE IN '73 CHILE COUP

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Special to The New York Times

WASHINGTON, Dec. 4—The staff of a Senate intelligence committee said today it had found that the United States had encouraged the overthrow of the "democratically elected" Chilean Government of President Salvador Allende Gossens. It said, however, that no direct involvement by the Central Intelligence Agency or the American Embassy in the 1973 coup had been established.

These statements were made today in a 62-page report issued by the staff of the Senate Select Committee on Intelligence.

The document contained relatively little information not made public previously, either in the committee's report of Nov. 20 on its inquiry into assassination plots against foreign leaders or in accounts published in the press.

Today's report was based upon executive session testimony by C.I.A. officials and other Government officials including Secretary of State Henry A. Kissinger. It also reflected information from some secret C.I.A., National Security Council and State Department documents.

Parts of the report, which is titled "Covert Action in Chile, 1963-1973," were read into the record of a public hearing. This action came after the Administration kept officials from testifying in public session on the United States actions in Chile.

The United States Government, the committee staff said, ended a 10-year, \$13.4 million effort to deny Dr. Allende power in Chile by "advocating and encouraging the overthrow"

of his democratically elected government.

William Miller, the committee's staff director, told the members that the report on United States activity in Chile was representative of six major covert operations studied during the committee's investigation. The six operations in turn, were representative of "thousands" by the C.I.A., he said.

These were several of the new elements in the committee staff's report:

¶The International Telephone and Telegraph Corporation put \$350,000 of its own money into the Chilean Presidential election of 1970, the committee staff said, adding that it gave \$250,000 to the campaign of former President Jorge Alessandri and \$100,000 to an anti-Allende party. The report said \$350,000 more had come from other United States businesses, which were unnamed.

¶The C.I.A. was able to affect the content of a Time magazine story in 1970, the report said, through "briefings requested by Time and provided by the C.I.A. in Washington."

The briefings, the report said, "resulted in a change in the basic thrust of the Time story on Allende's Sept. 4 victory and in the timing of the story."

¶The report said that after President Richard M. Nixon ordered a stepped-up effort to stop Dr. Allende in September 1970, the C.I.A. covertly channeled \$11.5 million to El Mercurio, the largest daily paper in Chile, to insure anti-Allende

coverage and to keep the paper solvent.

El Mercurio was published, committee spokesmen confirmed, by Augustine Edwards, a close friend of Donald M. Kendall, president of Pepsi Cola, Inc.

In the committee's assassination report it was noted that Mr. Kendall had arranged a breakfast meeting between Mr. Edward, Mr. Kissinger and then Attorney General John N. Mitchell.

While the committee staff reported that it could establish no direct operational involvement by the C.I.A. or United States Embassy in the 1973 coup, the members agreed during a press briefing today that the United States policy had "created the atmosphere" in Chile for Dr. Allende's removal.

The report supported news accounts published in The New York Times and elsewhere in the fall of 1974 that the United States had covertly poured millions of dollars into Chile, first to keep Dr. Allende from becoming president and later to overthrow his Government. The report set the total figure, from 1963 until 1973, at about \$13.4 million and said that between Dr. Allende's inauguration in November 1970 and his ouster, the United States Government spent over \$7 million.

Today's hearing included statements and testimony by Edward M. Korry, who served as United States Ambassador in Santiago during the early Nixon years, and Ralph A. Dungan, the Ambassador between 1964 and 1967.

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El Mercurio